

**Statement
by**

**R. Jay Taylor
Taylor and Fulton, Inc.**

on Behalf of the

**Specialty Crop Farm Bill Alliance
and
Florida Fruit & Vegetable Association**

Development of 2007 Farm Bill

**Committee on Agriculture
Subcommittee on Livestock and Horticulture
United States House of Representatives**

September 26, 2006

INTRODUCTION

Good morning Mr. Chairman and members of the Committee. My name is Jay Taylor. I am President of Taylor and Fulton, Inc., a family-owned farming and packing operation which I have helped manage for the past 30 years. We grow approximately 7,000 acres of tomatoes in three states – Florida, Georgia and Virginia. I am the current chairman of the Florida Fruit and Vegetable Association, and today, I am providing comments on behalf of the Specialty Crop Farm Bill Alliance. More than 75 organizations representing growers of specialty crops have indicated their support for the policy priorities developed by the Specialty Crop Farm Bill Alliance. A list of those groups is attached to this testimony.

I appreciate the opportunity to testify before the Subcommittee regarding the future direction of the 2007 Farm Bill and what role Congress and the Administration will play in shaping policy for specialty crop growers across the United States.

INDUSTRY OVERVIEW

The specialty crop industry is a dynamic industry characterized by constantly changing supply and demand conditions. Yet, we work hard to remain profitable, satisfy consumer demands, and develop new technology in order to be competitive in the domestic and the global market place.

Most of our crops are highly perishable and are characterized by high costs of production, high crop value, and generally inelastic demand which can result in large price decreases based on small amounts of excess production. Markets for specialty crops are highly volatile, yet our growers have never relied on traditional farm programs to sustain our industry. While it is the clear intention of the Specialty Crop Farm Bill Alliance to be more actively involved in establishing policy in the 2007 Farm Bill, Alliance members continue to reject direct payments to growers as a policy option.

The marketplace in which we operate is growing more difficult. Meeting the demands of consumers is increasingly complicated and requires growers to address challenges in logistics, product packaging, and changing lifestyles and preferences. Regulatory challenges from state and local governments have also become exponentially more challenging. The threat of crop loss or trade disruption from the accidental or intentional introduction of pests of concern has expanded as the volume of trade has increased.

As the policy discussion for the 2007 Farm Bill takes shape, we look forward to working with you to develop new programs and enhance existing programs that will improve the competitiveness of the specialty crop industry. We are working with members of Congress to develop specific legislative language consistent with our priorities and expect to have a bill introduced in the House later this month. We expect this to begin a constructive discussion of specialty crop farm policy and allow us to fine tune the legislation prior to reintroduction in the 110th Congress.

TIMING OF THE NEXT FARM BILL

The Specialty Crop Farm Bill Alliance believes that government policy should provide incentives for private investment, tools to increase profitability, help to those producers who are committed to better serving consumer needs, and to maintaining environmental quality. Ultimately, the goal of specialty crop farm policy should be to enhance the tools necessary to drive demand, increase consumption, and not distort the production of those products with respect to domestic and international markets. The Alliance believes that Congress should complete the process of establishing U.S. farm policy prior to the planting of the 2008 crop. We should develop policies based on the needs of our growers and not on the expectations of future developments in bilateral or multilateral trade agreements. The Doha round setbacks should not dictate either the timing or the policy options for U.S. agriculture. To the contrary, now is the time for policy makers to take the lead and demonstrate commitment for programs that benefit all domestic producers. Modernizing the farm bill remains a top priority for specialty crop producers. Domestically grown specialty crops need better access to overseas markets, and the delay in WTO agricultural talks likely prolongs that inequitable trade situation. Additionally,

specialty crop producers face ever-increasing competition from imports, as well as challenges that threaten the viability of producers – making a revision of farm bill programs that address these needs essential for the specialty crop industry.

I would like to highlight today some of the policy areas that we believe Congress should incorporate into the 2007 Farm Bill that will help the fruit and vegetable industry and enhance the foundation of policy tools available to this important segment of U.S. agriculture.

KEY SPECIALTY CROP PRIORITIES

1. Prohibition of Planting Fruits and Vegetables on Contract Acres

The specialty crop industry strongly supports maintaining or strengthening the current U.S. policy, which restricts producers from growing fruits and vegetables on acres receiving program payments. Specialty crop producers are concerned that any alterations in this provision would allow program crop producers to reduce the risk inherent to fruit and vegetable production resulting in unfair competition. The market conditions and the potential for market disruptions that led to the industry's support for this provision in 1985 have not changed. Currently, there are several studies being conducted to determine the potential economic impact on specialty crop growers from the loss of the planting flexibility restrictions. Preliminary results indicate that the impact would be in excess of \$3 billion per year.

2. Disaster Assistance Policy

The current \$80,000 payment limit on disaster payments is not equitable for specialty crop producers. Due to higher input costs, the loss per acre experienced by specialty crop producers as a result of a disaster is generally much greater, on a per acre basis, than for program crops. We believe that cost of production and crop value should be used to index disaster assistance payments to allow specialty crop producers to receive more equitable disaster payments.

3. Conservation Policy

Consumers want an agricultural production system that not only produces abundant, affordable, and safe food supply but also conserves and enhances the natural resource base. The

public benefits of working land conservation programs are a more stable and productive farm economy and an improved environment.

For the specialty crop industry, there continues to be decreased availability of crop protection tools. Environmental regulations continue to put pressure on the industry's ability to be competitive in a world economy. Because of these factors, the industry supports expanding cost share and incentive programs such as the Environmental Quality Incentives Program and the Conservation Security Program that encourage producers to invest in natural resource protection measures they might not have been able to afford without such assistance. There is also a need for targeted technical assistance to help specialty crop producers access conservation programs. This assistance should provide both education on available programs and technical assistance in preparing the documentation and farm assessments that are necessary to apply for the conservation programs.

4. International Trade Policy

The economic well-being of the specialty crop industry and other agricultural commodity sectors depends heavily on exports which account for one-third or more of domestic production, provides jobs for millions of Americans, and makes a positive contribution to our nation's overall trade balance. This year, the value of U.S. agriculture exports is projected to be a record \$64.5 billion compared to imports of \$61.5 billion. The 2006 agriculture trade balance is likely to be at its lowest level in the past 20 years. The U.S. surplus in agricultural trade, which has declined over 90 percent since 1996, will continue to fall unless there are significant changes to the existing trade policies. Our government must provide the necessary tools for domestic producers to remain viable in the global marketplace.

U.S. specialty crop growers face significant obstacles in the development of export markets for their commodities and unique challenges due to the perishable nature of our products and the complexity of the phyto-sanitary issues that are often raised by potential trading partners. Without further commitment to export market development by the federal government and focused efforts to reduce tariff and non-tariff barriers to trade, the U.S. specialty crop industry will continue to lose market share to global market competitors. Farm Bill programs that have

worked well to increase access to foreign markets for domestically produced specialty crops are the Technical Assistance for Specialty Crops and the Market Access Program. These programs should be continued and expanded in the next Farm Bill.

5. *Invasive Pests and Disease*

Due to the tremendous volume of plant material that moves in domestic and international commerce, the potential for introduction of pests of concern into the United States is great. In addition, many of our potential trading partners are either unwilling or unable to complete the analysis necessary to develop risk mitigation strategies to allow the shipment of domestically produced specialty crops to their countries. We support enhancing the structure and resources of APHIS to better identify and prioritize foreign pest threats, provide timely adequate compensation to producers impacted by emergency eradication programs, and create an export division to more quickly process export petitions from U.S. specialty crop growers.

6. *Research Policy*

Federal investment in agricultural research dedicated to improving the competitiveness of the U.S. specialty crop industry has been shrinking in real terms and is not adequate to meet the needs of the industry. Fruit and vegetable crops and their research needs are unique. We support expanded federal investments in research and development for fruit and vegetable crop production, including plant breeding, pest management, production, physiology, food science, mechanization, marketing, product development, food security, food safety, and processing. Additionally, funding that emphasizes nutrition will provide a significant return on investment through better health for the U.S. population.

7. *Nutrition Policy*

Fruits and vegetables offer consumers healthy and nutritious food options that are critical to preventing cancer, reducing obesity and diabetes, and maintaining overall good health. The *Dietary Guidelines for Americans* call for the consumption of 5 to 13 servings a day of fruits and vegetables as a cornerstone of good health. Yet, on any given day 45 percent of children eat no fruit at all, and 20 percent eat less than one serving of vegetables.

To this end, future farm policy will not only support American agriculture; it will support and encourage the health and well-being of all Americans. The School Fruit and Vegetable Snack Program is an effective and popular nutrition intervention program proven to increase fresh fruit and vegetable consumption among children in participating schools. This program should be significantly expanded in the 2007 Farm Bill in order for all states to participate in this program.

8. *State Block Grants*

The industry supports continued expansion of the State Block Grant Program for Specialty Crops that was authorized in the 2004 Specialty Crops Competitiveness Act. This program allows states to invest in programs and projects that support production-related research, commodity promotion, food safety, and other programs that enhance the competitiveness of specialty crop producers. Due to the variety of crop production among states, the “state grant” nature of the program is essential to the success of the program.

Conclusion

We look forward to working with the Committee on the development of the next Farm Bill. We believe that the policy options we have outlined for specialty crop producers can improve our long-term competitiveness. We ask for your assistance in building a successful, constructive partnership with the government.

Thank you.

2007 Specialty Crop Farm Bill Alliance

Industry Supporters

Alabama Watermelon Association
American Mushroom Institute
Arizona Winegrowers Association
Blue Diamond Growers
California Association of Wine Grape Growers
California Citrus Mutual
California Grape and Tree Fruit League
California Strawberry Commission
California Table Grape Commission
California-Arizona Watermelon Association
Cherry Marketing Institute
Colorado Potato Administrative Committee
Colorado Wine Industry Development Board
Connecticut Farm Wine Development Council
Connecticut Vineyard & Winery Association
Empire State Potato Growers
Florida Citrus Mutual
Florida Citrus Packers
Florida Fruit and Vegetable Association
Florida Strawberry Growers Association
Florida Tomato Exchange
Florida Watermelon Association
Georgia Fruit and Vegetable Growers Association
Georgia Watermelon Association
Grower-Shipper Association of Central California
Idaho Grape Growers and Wine Producers Commission
Idaho Grower Shippers Association
Indian River Citrus League
Indiana-Illinois Watermelon Association
Maine Potato Board
Maryland-Delaware Watermelon Association
Minnesota Area II Potato Growers Research and Promotion Council
Minnesota Grape Growers Association
Missouri Wine & Grape Board
Missouri-Arkansas Watermelon Association
National Berry Crop Initiative

National Potato Council
 National Watermelon Association
 National Grape and Wine Initiative
 New England Vegetable and Berry Growers
 New Mexico Wine Growers Association
 New York Wine & Grape Foundation
 North American Blueberry Council
 North American Bramble Growers Association
 North American Strawberry Growers Association
 North Carolina Grape & Wine Council
 North Carolina Potato Association
 North Carolina Strawberry Association
 North Carolina Watermelon Association
 Northern Kentucky Vintners & Grape Growers Association
 Northwest Horticultural Council
 Northern Plains Potato Growers
 Ocean Spray Cranberries, Inc.
 Ohio Wine Producers Association
 Oregon Raspberry & Blackberry Commission
 Oregon Strawberry Commission
 Oregon Winegrowers Association
 Peace River Valley Citrus Growers Association
 Peerbolt Crop Management
 South Carolina Watermelon Association
 Sunkist Growers, Incorporated
 Tennessee Farm Winegrowers Association
 Texas Citrus Mutual
 Texas Produce Association
 Texas-Oklahoma Watermelon Association
 The National Grape and Wine Initiative
 U.S. Apple Association
 United Fresh Fruit & Vegetable Association
 Virginia Wineries Association
 Washington Association of Wine Grape Growers
 Washington Red Raspberry Commission
 Washington State Potato Commission
 Western Growers
 Wild Blueberry Commission
 WineAmerica
 Winegrowers Association of Georgia
 WineMichigan

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U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: JAY TAYLOR
2. Business Address: 932 5TH AVE West
Palm Beach, FL 33421
3. Business Phone Number: (941) 729-3883
4. Organization you represent: Florida Fruit & Vegetable
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
Thirty years running a multi-state
diversified agricultural business growing
tomatoes, strawberries, cucumbers and grain crops.
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
Chairman of Florida Fruit & Vegetable
Member + Vice Chair of the Florida
Tomato Committee
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:
Chairman of FFVA.

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF
TESTIMONY.

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Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: LAY TAYLORAddress: 932 5th AVE WESTTelephone: (941) 729-3883Organization you represent (if any): Florida Fruit & Vegetable Association

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: [Signature]

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.